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Bar and Beverage Service Concession (ARS-M10-175)

Questions & Answers

1. Question: How many concessionaires does the City want on the approved list?
Answer: Section II – “Objective” of the Request for Proposals (RFP) states, in part, “The objective of this Request for Proposals (‘RFP’) is to award five-year Concession Agreements...to up to five (5) concessionaires.”
2. Question: Is there a guaranteed minimum of sales?
Answer: There is no guaranteed minimum of sales. Section II – “Objective” of the RFP states, in part, “The Department, in entering into an Agreement with the selected proposer, guarantees no minimum amount of business or compensation.”
3. Question: Can concessionaire deduct utility expenses from the Bar and Beverage Service gross receipts?
Answer: No, utility payments are not to be deducted from gross receipts. Section 6.C – “Gross Receipt Defined” of Exhibit C – “Sample Concession Agreement” of the RFP provides the items which may be deducted from gross receipts.
4. Question: Can a “hosted” bar arrangement be allowed? For example, the operator charges a set “package” price for a minimum of 100 adult customers for a wedding event?
Answer: Yes, a hosted bar is allowed. The submitted proposal must state the price ranges and various cost options for the hosted bar that will be provided to the patrons. Section 4.1 – “Proposed Revenue Sharing Payment” of the RFP states, in part, “Revenue sharing payment may be proposed as different percentage rates among the various revenue categories, and/or may vary with time, activity, or specific levels of gross receipts.” Also,



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please keep in mind that Section V.B.3 – “Record Keeping and Tracking of Sales” of the RFP states, in part, “Concessionaire will be required to maintain a system of tracking sales, which may include at a minimum, installing a non-resettable cash register dedicated for the duration of each event at each facility on which it shall record all gross sales, including hosted bar sales.”

5. Question: How does the proposer present proposed rent on the pro-forma financial statement submittal form as minimum rent? Is the minimum rent based on actual sales or projected sales?

Answer: The Revenue Sharing Payment, or rent, for the Concessionaire(s) will be based on actual gross receipts. All proposers are requested to submit realistic and sustainable figures when preparing the Pro Forma Financial Statements.

6. Question: Regarding cash bars and open bars, how does the concessionaire track sales without using the cash register?

Answer: Cash Bars must have a non-resettable cash register to record sales. Section V.B.3 – “Record Keeping and Tracking of Sales” of the RFP states, in part, “Concessionaire will be required to maintain a system of tracking sales, which may include at a minimum, installing a non-resettable cash register dedicated to this concession on which it shall record all gross sales, including hosted bar sales.” Open Bars will be subject to Revenue Sharing Payment, or rent, based on the agreement price between the Concessionaire(s) and the patrons. Please keep in mind that the submitted proposal must state the price ranges and various cost options for Open Bars that will be provided to the patrons. Section 4.1 – “Proposed Revenue Sharing Payment” of the RFP states, in part, “Revenue sharing payment may be proposed as a different percentage rate among the various revenue categories, and/or may vary with time, activity, or specific levels of gross receipts.”

7. Question: What is the name of the current concessionaire? What is the name of previous concessionaire?

Answer: The current Concessionaire is “Monterey Concessions Group”. The previous Concessionaire was “Black Tie Event Services, Inc.”.

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8. Question: Can the Department of Recreation and Parks provide the total gross receipts for 2007 and for 2008?

Answer: Section III – “Description of Concession” of the RFP states that the total gross revenue for 2007 was \$228,762 and total gross revenue for 2008 was \$140,515.

9. Question: Are the Profit and Loss Statements for 2007 and 2008 available for review?

Answer: Information on the profit and loss statements for 2007 and 2008 is available at http://www.laparks.org/dos/concession/barBeverage_RFP.htm

10. Question: What is the current approved patron pricing?

Answer: Information on currently approved patron pricing is available at http://www.laparks.org/dos/concession/barBeverage_RFP.htm

11. Question: Can the Department of Recreation and Parks provide the proposers total events and the number of events classified under 1) alcoholic and 2) non-alcoholic for 2007 and for 2008?

Answer: This information is not available at this time.